



AUDITOR & INVESTIGATOR
CONFERENCE



OIG PANEL

Darrell D. Boehmer, Mark Mitchell, Mike Lepper, Jack Bedan & Chuck Coffin

SPECIAL AWARD



ROGER BOOTH
DCM - AUDIT SERVICES



Now would be a good time to get a nap
before the drive home!



Investigative Team

Darrell D. Boehmer

Special Agent/ Director of Investigations

Mark Mitchell

Special Agent/Assistant Director of investigations

Chuck Coffin

Special Agent

Jack Bedan

Special Agent

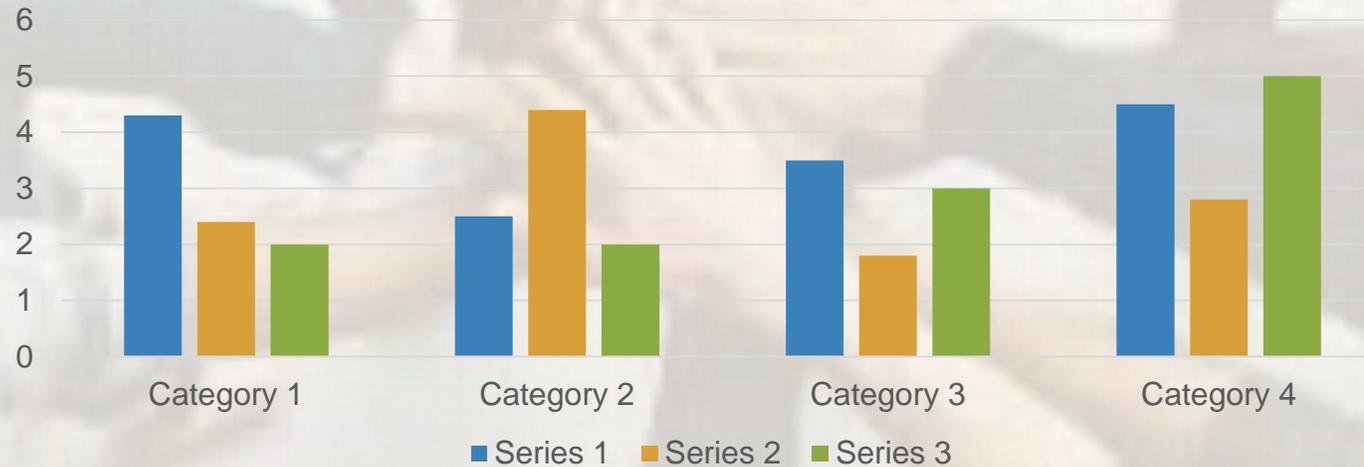
Mike Lepper

Special Agent

Unit Purpose Mutual Cooperation

Darrell D. Boehmer
Director of Investigations

This Chart Means Nothing



IC 4-2-7-3 Duties; criminal investigation; recommendations; annual report

Sec. 3. The inspector general shall do the following:

(1) *Initiate, supervise, and coordinate investigations.*

(2) Recommend policies and carry out other activities designed to deter, detect, and eradicate fraud, waste, abuse, mismanagement, and misconduct in state government.

Work with Agencies Auditors and Investigators Assist and Complement

- Investigative experience
- Subpoena
- Search warrants
- Interviews

This spreadsheet is totally useless

	Jan	Feb	Mar	1st Q	Apr	May	Jun	2nd Q	Jul	Aug	Sep	3rd Q	Oct	Nov	Dec
Gross Revenue	1.0%		3.0%				2.0%				3.0%				
Sales	\$ 137,000	\$ 138,370	\$ 139,750	\$ 415,120	\$ 143,940	\$ 148,260	\$ 152,710	\$ 444,910	\$ 155,760	\$ 158,880	\$ 162,060	\$ 476,700	\$ 166,920	\$ 171,930	\$ 177,090
Shipping	26,700	26,970	27,240	80,910	28,060	28,900	29,770	86,730	30,370	30,980	31,600	92,950	32,550	33,530	34,540
Gross Revenue	163,700	165,340	166,990	496,030	172,000	177,160	182,480	531,640	186,130	189,860	193,660	569,650	199,470	205,460	211,630
Cost of Goods Sold															
Goods	\$ 76,500	\$ 77,270	\$ 78,040	\$ 231,810	\$ 80,380	\$ 82,790	\$ 85,270	\$ 248,440	\$ 86,980	\$ 88,720	\$ 90,490	\$ 266,190	\$ 93,200	\$ 96,000	\$ 98,880
Freight	1,300	1,310	1,320	3,930	1,360	1,400	1,440	4,200	1,470	1,500	1,530	4,500	1,580	1,630	1,680
Miscellaneous	500	510	520	1,530	540	560	580	1,680	590	600	610	1,800	630	650	670
Cost of Goods Total	78,300	79,090	79,880	237,270	82,280	84,750	87,290	254,320	89,040	90,820	92,630	272,490	95,410	98,280	101,230
Gross Profit	85,400	86,250	87,110	258,760	89,720	92,410	95,190	277,320	97,090	99,040	101,030	297,160	104,060	107,180	110,400
Expenses															
Advertising	\$ 18,400	\$ 18,580	\$ 18,770	\$ 55,750	\$ 19,330	\$ 19,910	\$ 20,510	\$ 59,750	\$ 20,920	\$ 21,340	\$ 21,770	\$ 64,030	\$ 22,420	\$ 23,090	\$ 23,780
Electricity	175	180	180	535	190	200	210	600	210	210	210	630	220	230	240
Food	200	200	200	600	210	220	230	660	230	230	230	690	240	250	260
Heat	162	160	160	482	160	160	160	480	160	160	160	480	160	160	160
Insurance	200	200	200	600	210	220	230	660	230	230	230	690	240	250	260

Worked with 65 Agencies
7260 hours
Criminal, Ethics,
Informal Advisory Opinions

The background is a soft-focus office environment. In the foreground, a silver laptop is open on a wooden desk, and a white coffee cup is partially visible on the left. The office behind it features white walls, a desk with another laptop, and shelves with various items.

Telework

Special Agent Mike Lepper



Evidence

Special Agent Jack Bedan

STRIKE TEAM 2019

- Total trials and suppressions
- Renovation last year – getting in to our office
- Current staff – recent turnover
- Future of Courts / vertical prosecution

STRIKE TEAM 2019

- Helping us win at trial – ESPECIALLY IF **CONSTRUCTIVE POSSESSION** (knowledge and ability to control)
 - Photos – Take Many. Where the evidence originally was. Tell a story.
 - Video – walk thru?
 - Interviews – recorded if possible – Remember 619
 - Personal items at house/car – at least take photos
- Letters/mail
- Clothes/shoes – sizes?
- Keys to house? Car?
- Map of house layout? Who found what and where.
- Follow up investigation
 - Who owns/leases/rents house and/or vehicle
 - Cell phone SWs
 - Jail calls

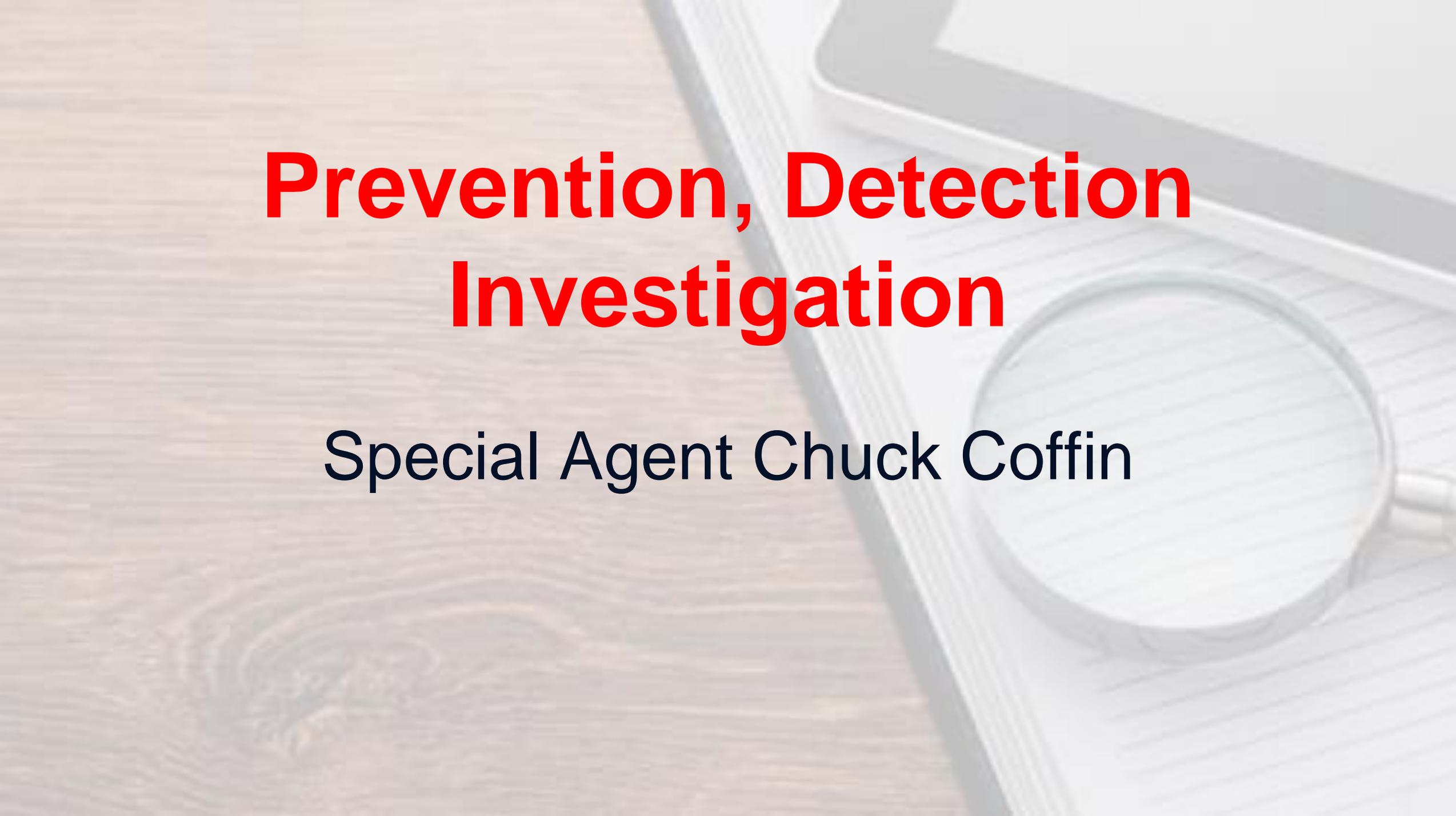
“Everybody knows it”
is not evidence

The background of the slide is a faded, grayscale image of two men in business suits shaking hands. The man on the right is holding a thick stack of US dollar bills. The overall tone is professional and serious, suggesting a financial or legal context.

White Collar Crime Interviews and Interrogation

Mark Mitchell

Assistant Director/Special Agent

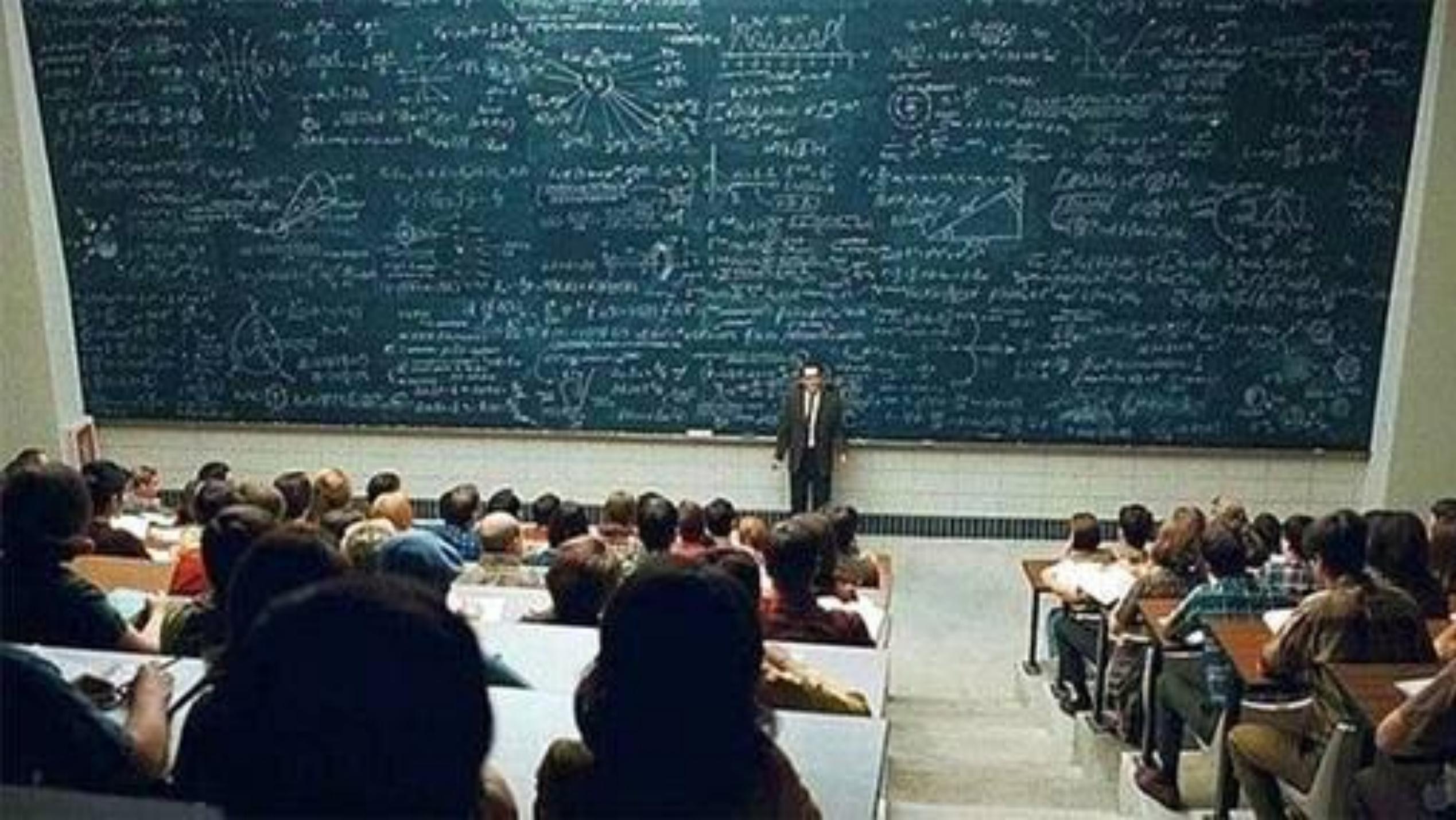
The background of the slide features a wooden surface on the left and a magnifying glass over a document on the right. The magnifying glass is positioned over a document with horizontal lines, suggesting an investigation or search for information. The text is overlaid on this background.

Prevention, Detection Investigation

Special Agent Chuck Coffin

An aerial photograph of a city skyline, featuring a central square with a fountain and several tall buildings. The text is overlaid on a semi-transparent white rectangle in the center of the image.

**OFFICE
OF THE
INSPECTOR GENERAL
&
ETHICS COMMISSION**



ccoffin@ig.in.gov



Okay!

Sooooo,

just what DO you do!?

An aerial photograph of a city center, likely Chicago, featuring a prominent fountain in the middle of a square, surrounded by various skyscrapers and buildings. The text is overlaid on this image.

Investigate

- ☑ Criminal Activity
- ☑ Ethics Violations
- ☑ Efficiency Matters

Educate

- ☑ Code of Ethics Training
- ☑ Annual Conferences

An aerial photograph of a city square, likely in New York City, featuring the prominent white monument and fountain in the center. The square is surrounded by various buildings, including a large modern skyscraper on the right and several older, multi-story buildings. The text "Criminal Activity" is overlaid in large, bold, black letters across the center of the image.

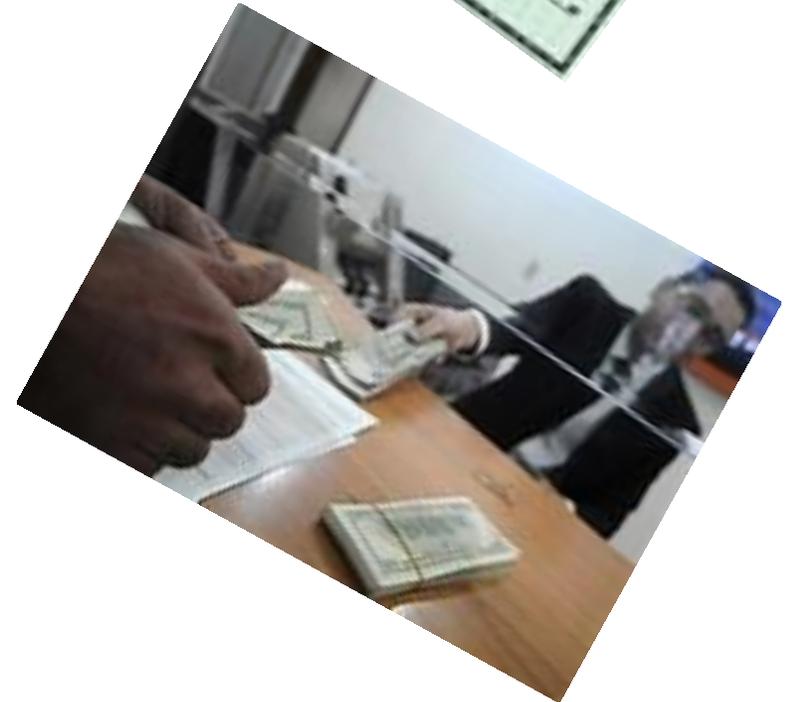
Criminal Activity





A green check form tilted at an angle. The text on the form includes "VALID BUSINESS CUSTOMER", "FOR DEPOSIT ONLY", "DATE", "AMOUNT", "PAY TO THE ORDER OF", "TOTAL PAYABLE", and "REMARKS". There are several blank lines for filling in information.

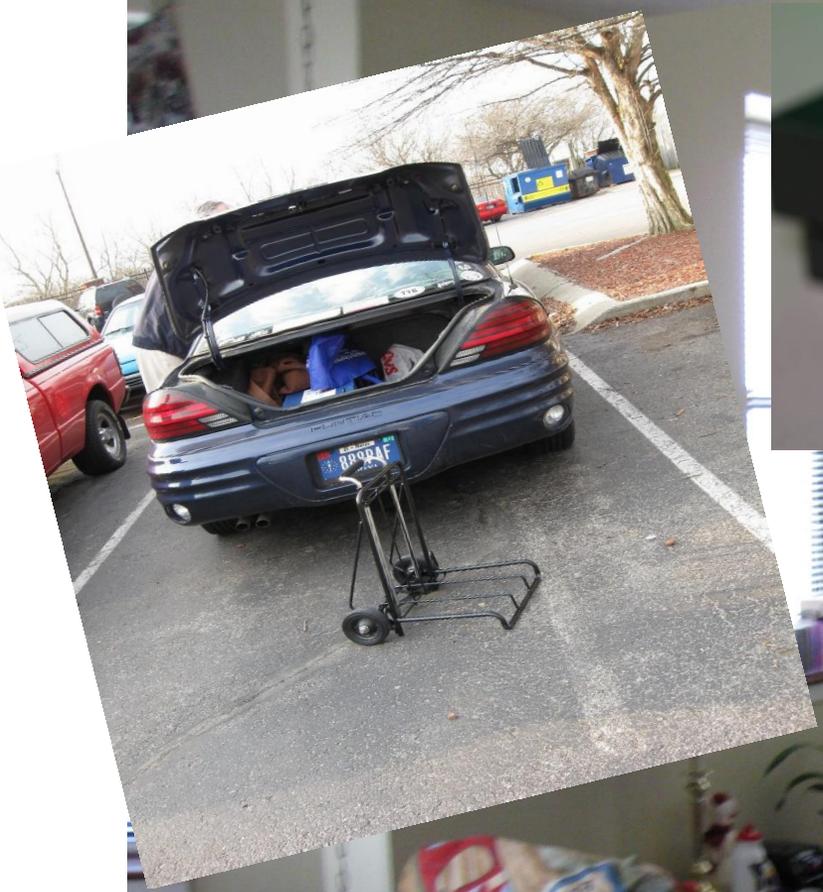
DIRECT DEPOSIT
* SIMPLE. SAFE. SECURE *















Ethics Violations





theelevatortpitch™
"Where America's Entrepreneurs
& America's Investors Meet!"
"Scale Your Business - America's Busy!"
"Small Business • Short Pitch • Big-Time Exposure!"

Entrepreneurs have thousands of great business ideas. **THEY NEED INVESTORS!**
Investors have plenty of money to invest in great ideas (and are frankly sick of the stock market (p-o-f)s) and need
Now THEY CAN with **The Elevator Pitch.**
We assist entrepreneurs and investors to meet in board rooms across America.
Entrepreneurs **PITCH** their businesses and investors provide funding to the ones they like.

IT IS WHAT AMERICA WAS BUILT ON!
The Elevator Pitch™ will come to cities and towns across America by TV, Radio, Web, TV, Events, & The Internet.
We would like you to consider being our Licensee Rep. for your state.

If you:
have solid business skills
can drive visibility and awareness
can inspire, motivate, and consult entrepreneurs
We would like to talk.

America's Economy will be brought back to health by America's Small Businesses and America's Investors.
Be a part of the solution for America, by helping start-up and early stage entrepreneurs in your state get the local,
regional, and even national exposure they need and access to the funding that they demand! And possibly make
yourself a bundle in the process.

TheElevatorPitchTV.com is under construction, and is scheduled to be open in Jan. 2009
This memo is to announce The Elevator Pitch™ is looking for qualified people to be the licensed representative to
operate each state across the United States in association with The Elevator Pitch.
If you have an interest in finding out more information and receiving an email link to our confidential TV program
000-300-5764 and we can schedule a time to chat.
info@TheElevatorPitchTV.com
000-300-5764
The Elevator Pitch™... where **AMERICA'S ENTREPRENEURS** are brought to boardrooms with **AMERICA'S INVESTORS** to
pitch their ideas and get their businesses funded.





An aerial photograph of a city center, featuring a prominent fountain in the middle ground surrounded by various buildings and a parking lot in the foreground. The text 'Prevention' is overlaid in the upper portion of the image.

Prevention



Detection



Investigation

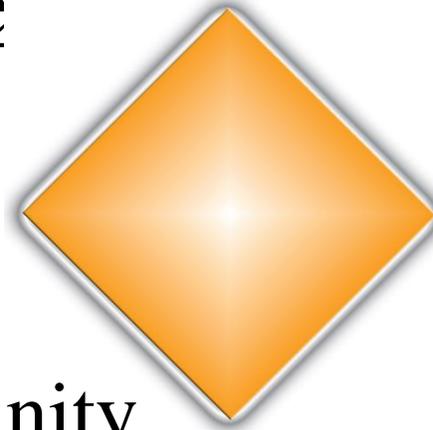
The Fraud Diamond

Perceived Pressure

- *Incentive*

Rationalization

- *Attitude*



Perceived Opportunity

- *Weak controls*

Capability

- *Ability* = Position or function
- *Smart* enough to exploit controls
- Strong *ego and confidence* to avoid detection
- **Lies** effectively and consistently deals well with stress over time

Wolfe, David E. and Hermanson, Dana R.
*The Fraud Diamond: Considering the Four
Elements of Fraud.*
<http://www.cpajournal.com/>

Albrecht's Nine Motivator's

1. Living beyond means – Most common
2. Overwhelming desire for personal gain
3. High personal debt
4. Close association with customers
5. Pay not commensurate with job
6. Wheeler-dealer
7. Strong challenge to beat the system
8. Excessive gambling
9. Family/peer pressure

Common Rationalizations

- “It’s for a good purpose.”
- “Everybody does it.”
- “I deserve it.”
- “They (the state) can afford it.”
- “It’s a victimless crime.”
- “It’s not that serious. No body will get hurt.”
- “It’s just a loan. I’ll pay it back!”
- “I’m not a crook.”



The Slippery Slope of Fraud, Waste, & Abuse

It doesn't start out as dishonesty.

It starts small . . .

with pressure . . .

with gray areas . . .

And it grows over time until...

there is no way out!

How is Fraud Discovered?

Employee tips 48.8%

- Internal controls 24.8%
- External Audits 14.9%
- Internal audits 13.2%
- Accident 10.7%
- Police notification 1.7%

Percentages exceed 100% because some respondents used more than one detection

ACFE Report to the Nation on Occupational Fraud & Abuse



A red flag is flying on a pole in the foreground on the left side of the image. The background shows a beach with waves crashing onto the shore under a blue sky with scattered white clouds. The text is overlaid on the right side of the image.

What is it?

Circumstances of an unusual nature

Variance from the normal activity

A signal something's out of the ordinary

- Does *not* indicate guilt or innocence
- Merely provides *possible* warning signs



Most Common Red Flags?

- Behavioral changes
 - ✓ Drug, alcohol, or gambling addiction
 - ✓ Severe financial problems
- Refusal to take vacation or sick leave
 - ✓ Fear of discovery
- Often works very early or late
- Prefers to work in an isolated environment
 - ✓ Out of sight – Out of mind
 - ✓ Minimal or no supervision

Develop A Competent Network . . .





**HELLO. MY NAME IS INIGO MONTOYA.
YOU KILLED MY FATHER. PREPARE TO DIE.**

INIGO'S GUIDE TO NETWORKING SUCCESS

- 1. POLITE GREETING**
- 2. NAME**
- 3. RELEVANT PERSONAL LINK**
- 4. MANAGE EXPECTATIONS**

An Investigative Team Model



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Disclaimer

The content of this presentation should not be construed as legal advice and, in that respect, the author and Office of the Indiana Inspector General assume no liability or responsibility accordingly. The information included in this document is general in nature and is not intended to address any particular individual, investigation, internal audit activity, or organization. The objective of this document is to share tools, resources, information, and/or other knowledge that is accurate, unbiased, and timely.

Closing Remarks

**You are all doing a
wonderful job,
except for a couple of you
and you know who you
are.**

**Law Enforcement
Training Credit
&
Continuing
Professional
Education Credit**

Law Enforcement Training Credit Information

- 2.5 hours
- The Office of Inspector General Auditor & Investigator Conference
- Instructor Mark D. Mitchell
- PSID # 2005-8004-9040-P

Continuing Professional Education Credit Information

- 2.5 hours
- Complete form
(available at registration table)
- Submit to appropriate accrediting body

**Thank you for
attending!**



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